



## Board Charter

---

Bellamy's Australia Limited

ACN 124 272 208

## 1 Introduction

---

The Board of Directors (Board) of Bellamy's Australia Limited (Bellamy's or Company) has adopted this Board Charter that sets out the role, responsibilities, structure and processes for the Board that have been determined having regard to principles of good corporate governance, best practice and applicable laws.

This Charter includes an overview of:

- the Board's composition
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board Committees.

The Board Charter and the Charters adopted by the Board for its Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

The Board will review and assess the adequacy of this Charter and its Committee Charters annually and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current law and best practice.

## 2 Board composition

---

### 2.1 Board composition and size

The Board together with the Remuneration and Nomination Committee will, subject to the provisions of the Company's Constitution, be responsible for:

- a) determining the size and composition of the Board;
- b) considering the necessary and desirable competencies of Board members;
- c) reviewing membership of the Board and considering the advice from the Remuneration and Nomination Committee in relation to the appointment and re-election of Board members; and
- d) appointing the Chair of the Board.

The composition of the Board is reviewed on an annual basis by the Remuneration and Nomination Committee, to ensure that the Board has the appropriate mix of skills, expertise and experience necessary to fulfil its function effectively.

It is intended that the Board should comprise a majority of independent Non-executive Directors and over time will comprise Directors with a broad range of knowledge, skills and expertise from a diverse range of backgrounds.

The Board is appointed by the shareholders. Non-executive Directors are engaged through a letter of appointment.

### 2.2 Director independence and tenure

- a) Subject to sub clause (b), the Board will consider and conclude on the independence of its Non-executive Directors each year.
- b) If a Director is or becomes aware of any information, facts or circumstances that will or may affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and the Chair.
- c) The Board considers an independent Director to be a Non-executive Director who is free of any material business or other relationship that could materially interfere

with, or could reasonably be perceived to materially interfere with, the unfettered independent exercise of their judgement, who meets the following criteria:

- (i) no substantial holding (being more than 5% ownership) in the Company, and not an officer of, or otherwise associated directly with, a person or entity that has a substantial holding;
  - (ii) not employed in an executive capacity by the Company or another Company group member, or if previously employed in an executive capacity by the Company or another Company group member, there has been a period of at least three years between ceasing any such employment and serving on the Board of the Company;
  - (iii) not currently, or within the last three years, a principal of a material professional adviser or a material consultant to the Company or another Company group member, or an employee materially associated with the service provided;
  - (iv) not currently, or within the last three years, a material supplier or customer of the Company or another company group member, or an officer of, or otherwise associated with, a material supplier or customer;
  - (v) no material contractual relationship with the Company or another Company group member, other than as a director;
  - (vi) no close family ties with any person who falls within any of the categories described above; and
  - (vii) not a director of the entity for such a period that his or her independence may have been compromised.
- d) In considering from time to time whether a Director is independent and the criteria against which the Board determines the materiality of a relationship, the Board is to have regard to:
- (i) the relationships affecting the independent status of a director as described above. This assessment is based on the definition of independence set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;
  - (ii) the materiality guidelines applied in accordance with Australian accounting standards;
  - (iii) developments in corporate governance standards; and
  - (iv) any independent professional advice sought by the Board at its discretion.
- e) While the Company will aim to have a majority of independent Non-executive Directors, this may not always be practicable given the size of the Board and the circumstances. Accordingly, the Directors have absolute discretion to determine the appropriate composition of the Board from time to time, subject to the Company's Constitution, the Corporations Act 2001 (Cth) and the ASX Listing Rules.
- f) The Board does not believe at this time that it is appropriate to establish an arbitrary limit on tenure. While tenure limits may assist to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contributions of Directors who have been able to develop over a period of time, increasing insight into the Company and its operations. Accordingly, while tenure as a factor is considered, it is one of many factors the Board takes into account in the context of the optimum composition of the Board when assessing the independence and ongoing contribution of a Director.
- g) All Directors (except a Managing Director), are required to submit themselves for re-election at in accordance with the terms of the Company's Constitution.

## 2.3 Commitment

Non-executive Directors are expected to devote the necessary time to discharge their duties. It is Board policy that prior to their appointment, Non-executive Directors must provide the Chair with details of other commitments and an indication of time involved and to acknowledge that they will have adequate time to meet what is expected of them. Further, they should consult with the Chair, or the Board, and inform the Remuneration and Nomination Committee before accepting any other non-executive director appointment.

## 3 Board role and responsibilities

---

### 3.1 Board Role

The Board's role is to:

- a) represent and serve the interests of shareholders by overseeing and appraising Bellamy's strategies, policies and performance. This includes overseeing the financial and human resources Bellamy's has in place to meet its objectives and reviewing management performance;
- b) protect and optimise Bellamy's performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- c) set, review and ensure compliance with Bellamy's values and governance framework (including establishing and observing high ethical standards); and
- d) ensure shareholders are kept informed of Bellamy's performance and major developments affecting its state of affairs.

### 3.2 Board Responsibilities

The key responsibilities of the Board include:

- a) represent the interests of Shareholders by overseeing and appraising Bellamy's strategies, policies and performance;
- b) provide strategic direction for, and approval of, corporate strategy and performance objectives;
- c) review and ratify systems of risk management, internal compliance and control, codes of conduct and legal and regulatory compliance to ensure appropriate compliance systems and controls are in place;
- d) monitor senior management's performance and implementation of strategy, and seek to ensure appropriate resources are available;
- e) monitor the operational and financial position and performance of Bellamy's;
- f) approving financial reports, profit forecasts and other reports required at law or under ASX Listing Rules to be adopted by the Board;
- g) approve and monitor the progress of major capital expenditure, capital management, acquisitions and divestments;
- h) approve and monitor budgets;
- i) oversee control and accountability systems; and
- j) performing such other functions as are required by law or are assigned to the Board.

### 3.3 Reserved authorities

Matters specifically reserved to the Board or its Committees include:

- a) appointment of the Chair;
- b) appointment and removal of the Managing Director/ CEO;
- c) appointment and removal of the CFO;
- d) appointment and removal of the Company Secretary;
- e) appointment of Directors to fill a vacancy or as an additional Director;
- f) establishment of Board committees, their membership and their delegated authorities;
- g) approval of dividends;
- h) approval of half-year and full year financial results;
- i) approval of annual budgets and the strategic plan;
- j) approval of significant changes to the organisational structure;
- k) review of corporate codes of conduct;
- l) approval of major capital expenditure, acquisitions and divestments in excess of authority levels delegated to management;
- m) determining the form and operation of employee performance and incentive plans;
- n) determination of the Company's hedging policy;
- o) calling meetings of Shareholders; and
- p) any other specific matters nominated by the Board from time to time.

## **4 Delegation of duties and powers**

---

### **4.1 Role of the Managing Director/CEO**

- a) The management function is conducted by, or under the supervision of, the Managing Director/CEO as directed by the Board (and by other officers to whom the management function is properly delegated by the Managing Director/CEO).
- b) The Board approves corporate objectives for the Managing Director/CEO to satisfy and, jointly with the Managing Director/CEO, develops the duties and responsibilities of the Managing Director/CEO.
- c) The Managing Director/CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board.

### **4.2 Relationship with management**

- a) The Board may delegate their powers as they consider it appropriate. However, ultimate responsibility for strategy and control rests with the Board.
- b) The Board delegates management of the Company's resources to management under the leadership of the Managing Director/CEO, to deliver the strategic direction and goals determined by the Board, however ultimately management are accountable to the Board.
- c) Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- d) Directors are entitled to request additional information at any time when they consider it appropriate.

### **4.3 Delegation to committees**

- a) The Board will from time to time establish Committees to streamline the discharge of its responsibilities.
- b) Each Committee will adopt a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- c) The Board at the date of this Charter, has established the:
  - (i) Finance, Audit and Risk Committee; and
  - (ii) Remuneration and Nomination Committee.
- d) The Board may also delegate specific functions to ad hoc committees on an "as needs" basis.
- e) The powers delegated to these Committees will be set out in Board resolutions.
- f) The split of powers between the Board, Committees and senior management will be determined by the Board.
- g) Regular review of the division of responsibilities to ensure they remain appropriate to the needs of the Company will be undertaken annually.

## **5 Board process**

---

### **5.1 Meetings**

- a) The Board will meet regularly and intends to meet ten times each year.
- b) Directors will use all reasonable endeavours to attend Board meetings in person.
- c) The Company's Constitution governs the regulation of Board meetings and proceedings including the quorum for a Board meeting which is 3 Directors.

### **5.2 The Chair**

- a) The Board will appoint one of its members to be Chair.
- b) It is intended that the Chair should be an independent Non-executive Director.
- c) The Chair represents the Board to the shareholders and communicates the Board's position.
- d) The Chair will:
  - (i) chair meetings of the Board and of members, including the Annual General Meeting;
  - (ii) ensure the Board's decisions are implemented;
  - (iii) ensure that the Board fulfils its obligations under this Charter and as required under the relevant legislation;
  - (iv) provide appropriate leadership to the Board and Bellamy's;
  - (v) lead the Board to ensure it operates efficiently and effectively as a group; and
  - (vi) promote constructive and respectful relations between the Board and management.

### **5.3 The Company Secretary**

- a) The Board will appoint at least one Company Secretary.
- b) The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.
- c) The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies

and ASX, and all statutory and other filings.

- d) The Company Secretary will attend all Board and Committee meetings.
- e) All Directors will have direct access to the Company Secretary.

## **6 Performance**

---

- a) The Board recognises that regular reviews of its effectiveness and performance are key to the improvement of the governance of the Company. The Board will review and evaluate:
  - (i) its own performance, including against the requirements of this Charter;
  - (ii) the performance of its Committees; and
  - (iii) the performance of individual Directors,on a regular basis against both measurable and qualitative indicators.
- b) The Chair and the Company Secretary will work together to ensure that the performance assessment of the Board in the manner described above is formalised and a review is undertaken on a regular basis.

## **7 Inconsistency with Constitution**

---

To the extent that there is any inconsistency between this Charter or the Constitution, the Constitution will prevail.